GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2736
ANSWERED ON:15.03.2001
APPOINTMENT OF MANAGERIAL PERSONNEL
CHANDRA BHUSHAN SINGH

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Department of Company Affairs had issued orders rationalising appointment of managerial personnel and payment of managerial remuneration in case of companies having no profit or inadequate profit;

(b) if so, the details thereof; (

(c) the number of companies that had submitted applications in excess of limits prescribed for appointments and remuneration during the last three years; and

(d) the number of companies which were granted approvals/rejections during the said period.

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) & (b) Yes, Sir. The Department of Company Affairs have issued a circular dated 27.12.2000 in this regard in order to reduce subjectivity and to bring in an element of greater transparency and objectivity in submission of application. The circular brings out various aspects to be taken into account while submitting application. It also brings out deficiencies generally observed in the applications and brings out a check-list so as to ensure that the prescribed forms are completely and properly filed at the time of submission, so that disposal is quicker and faster.

(c) & (d) During the last three years 1998-2000, 1462 applications were received u/s. 269/309 of the Companies Act,1956 for appointment and payment of remuneration to Managerial Personnel. Out of those 1462 application,1350 applications were approved. In 20 applications remuneration in excess of limits prescribed under Schedule XIII to the Companies Act were not approved. 29 applications were closed in view of deficiencies/insufficient information.